

RECEIVED: 8/24/17	REVIEWER: LRL	TYPE: NSL	APP NO: OKSC1723739680
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

NSL-7585

Applicant: Chevron U.S.A. Inc. **OGRID Number:** 4323
Well Name: SD EA 29 Fed Com P8 No. 10H Well **API:** 30-025-43269
Pool: Upper Wolfcamp Pool **Pool Code:** 98097

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR

RECEIVED OCD
 2017 AUG 24 P 1:02

2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**

☒ Notice Complete
☒ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jordan L. Kessler

Print or Type Name

August 24, 2017

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address

Signature

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 954-7286
Fax (505) 983-6043
JLKessler@hollandhart.com

August 24, 2017

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED OCD
2017 AUG 24 P 1:02

**Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 29 and 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
SD EA 29 Fed Com P8 No. 10H Well**

Dear Mr. Catanach:

Chevron U.S.A. Inc. ("Chevron") (OGRID 4323) seeks administrative approval of an unorthodox well location for its **SD EA 29 Fed Com P8 No. 10H Well** (API No. 30-025-43269) to be completed within the Wolfcamp formation (WC-025-G09-S263327G; Upper Wolfcamp Pool (98097)) underlying the E/2 E/2 of Section 29 and the E/2 E/2 of Section 32.¹ This well will be drilled from a surface location 136 feet from the North line and 1657 feet from the East line (Unit B) of Section 29. The first perforation will be located 330 feet from the North line and 1170 feet from the East line (Unit A) of Section 29 and the final perforation will be located 330 feet from the South line and 1170 feet from the East line (Lot 1) of Section 32. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it is closer than 330 feet to the eastern, southeastern, and northeastern boundaries of the project area.

Chevron is the 100% working interest owner in the E/2 of Sections 29 and 32. Ownership in the spacing and proration unit in the W/2 E/2 of Section 29 and 32 is therefore common with the proposed spacing unit and therefore there are no affected parties in the spacing units to the East. The W/2 E/2 of Sections 29 and 32 will be developed by the **SD EA 29 Fed Com P8 No. 9H** (API No. 30-025-43268). Approval of the unorthodox completed interval will allow Chevron to develop these sections using their preferred well spacing plan for horizontal wells in this area, and thereby prevent waste of a productive reservoir.

¹ Section 32 is an irregular section adjacent to the Texas border.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

HOLLAND & HART^{LLP}



Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **SD EA 29 Fed Com P8 No. 10H Well** encroaches on the spacing and proration units to the West, Northwest, and Southwest.

Exhibit B is a land plat showing the proposed **SD EA 29 Fed Com P8 No. 10H Well** in relation to adjoining spacing units.

Exhibit C is a list of the parties affected by the encroachment to the Northwest and Southwest. As described above, Chevron is the operator in the spacing unit it the W/2 E/2 of Sections 29 and 32 and ownership is identical with that of the subject spacing unit. For these reasons, there are no affected parties in the spacing unit to the West. Parties affected by the unorthodox location are located in the spacing units to the Northwest and Southwest. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application. A courtesy copy of this application has also been provided to the Bureau of Land Management—Carlsbad.

Your attention to this application is appreciated

Sincerely,

Jordan L. Kessler

ATTORNEY FOR CHEVRON U.S.A. INC.

cc: Bureau of Land Management-Carlsbad
620 E. Green Street
Carlsbad, NM 88220

New Mexico State Land Office
310 Old Santa Fe Trail, P.O. Box 1148
Santa Fe, New Mexico 87504-1148

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0726
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Arroyo, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-432169	² Pool Code 98097	³ Pool Name WC025G09S263327G; UPPER WOLFCAMP
⁴ Property Code	⁵ Property Name SD EA 29 FED COM P8	⁶ Well Number 10H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3250'

¹⁰ Surface Location									
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	29	26 SOUTH	33 EAST, N.M.P.M.		136'	NORTH	1657'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface									
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	32	26 SOUTH	33 EAST, N.M.P.M.		180'	SOUTH	1170'	EAST	LEA
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		
237.41									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<table border="1"> <thead> <tr> <th colspan="2">SD EA 29 FED COM P8 NO. 10H WELL</th> <th colspan="2">PROPOSED BOTTOM HOLE LOCATION</th> </tr> </thead> <tbody> <tr> <td>X= 730,185</td> <td>NAD 27</td> <td>X= 730,729</td> <td>NAD 27</td> </tr> <tr> <td>Y= 372,252</td> <td></td> <td>Y= 364,744</td> <td></td> </tr> <tr> <td>LAT. 32.021261</td> <td></td> <td>LAT. 32.000612</td> <td></td> </tr> <tr> <td>LONG. 103.590625</td> <td></td> <td>LONG. 103.589036</td> <td></td> </tr> <tr> <td>X= 771,373</td> <td>NAD83</td> <td>X= 771,917</td> <td>NAD83</td> </tr> <tr> <td>Y= 372,309</td> <td></td> <td>Y= 364,801</td> <td></td> </tr> <tr> <td>LAT. 32.021386</td> <td></td> <td>LAT. 32.000737</td> <td></td> </tr> <tr> <td>LONG. 103.591091</td> <td></td> <td>LONG. 103.589502</td> <td></td> </tr> <tr> <td colspan="4">ELEVATION = 3250' NAVD 88</td> </tr> </tbody> </table>	SD EA 29 FED COM P8 NO. 10H WELL		PROPOSED BOTTOM HOLE LOCATION		X= 730,185	NAD 27	X= 730,729	NAD 27	Y= 372,252		Y= 364,744		LAT. 32.021261		LAT. 32.000612		LONG. 103.590625		LONG. 103.589036		X= 771,373	NAD83	X= 771,917	NAD83	Y= 372,309		Y= 364,801		LAT. 32.021386		LAT. 32.000737		LONG. 103.591091		LONG. 103.589502		ELEVATION = 3250' NAVD 88					<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Denise Pinkerton</u> Date: <u>08/21/2017</u> Printed Name: <u>Denise Pinkerton</u> E-mail Address: <u>Lea.Keid@chevron.com</u></p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: <u>10-29-2017</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>23006</u></p>
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Chevron U.S.A. Inc.
SD EA 29 FED COM P8 #10H
NSL Notice Plat

Notice Tract #1

SD EA 29 FED COM P8 #10H
Project Area

Notice Tract #2

EXHIBIT

B

Exhibit C

Notice Tract #1:

EOG Resources Inc.
P.O. Box 2267
Midland, TX 79702
USPS 7017145000083778039

Notice Tract #2:

Anadarko E & P Onshore LLC
6 Desta Drive Suite 1800
Midland, TX 79705
USPS 7017145000083778060



HOLLAND & HART LLP



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

August 24, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Chevron U.S.A. Inc. for administrative approval of an unorthodox location, Sections 29 and 32, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
SD EA 29 Fed Com P8 No. 10H Well

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Shalyce Holmes
Chevron U.S.A. Inc.
(713) 372-6051
SLHolmes@chevron.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR CHEVRON U.S.A. INC.

Holland & Hart LLP

Phone (505) 988-4421 **Fax** (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, September 19, 2017 11:00 AM
To: 'Jordan L. Kessler'
Cc: Podany, Raymond, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'scaffey@blm.gov'; Holm, Anchor E.; Martin, Ed
Subject: APPROVED NSL-7584_NSL-7585_Chevron USA Inc._SEC 29 26S 33E
Importance: High

Ms. Jordan L. Kessler,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7584

Chevron USA Inc.

API #: 30-025-43268

WELL: SD EA 29 Federal Com P8 Well No. 9H

NSL-7585

Chevron USA Inc.

API #: 30-025-43269

WELL: SD EA 29 Federal Com P8 Well No. 10H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>